

Jeff Davis Communities Against Domestic Abuse, Inc.

**FINANCIAL STATEMENTS AND
AUDITORS' REPORT**

December 31, 2011

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Jeff Davis Communities Against Domestic Abuse, Inc.
Jennings, Louisiana

We have audited the accompanying statement of financial position of Jeff Davis Communities Against Domestic Abuse, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements and, in our report dated May 3, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jeff Davis Communities Against Domestic Abuse, Inc., as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2012, on our consideration of Jeff Davis Communities Against Domestic Abuse, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



June 19, 2012

Jeff Davis Communities Against Domestic Abuse
STATEMENTS OF FINANCIAL POSITION
December 31, 2011 and 2010

ASSETS

CURRENT ASSETS	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 22,015.63	\$ 10,131.51
Accounts receivable		
Grants and contracts	33,063.70	32,939.94
Inventory	1,910.48	3,637.92
Prepaid expense	<u>3,464.13</u>	<u>-</u>
Total Current Assets	60,453.94	46,709.37
PROPERTY AND EQUIPMENT		
Land	31,000.00	31,000.00
Furniture and equipment	27,105.03	23,226.12
Leasehold improvements	31,851.00	31,851.00
Accumulated Depreciation	<u>(33,335.25)</u>	<u>(26,348.25)</u>
Net Property and Equipment	<u>56,620.78</u>	<u>59,728.87</u>
TOTAL ASSETS	<u>\$ 117,074.72</u>	<u>\$ 106,438.24</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 8,182.09	\$ 4,649.94
Line of credit	28,401.33	5,000.00
Accrued liabilities	<u>1,719.19</u>	<u>1,482.43</u>
Total Current Liabilities	38,302.61	11,132.37
NET ASSETS		
Unrestricted	3,404.69	64,305.87
Temporarily Restricted	44,367.42	-
Permanently Restricted	<u>31,000.00</u>	<u>31,000.00</u>
Total Net Assets	<u>78,772.11</u>	<u>95,305.87</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 117,074.72</u>	<u>\$ 106,438.24</u>

See notes to the financial statements

Jeff Davis Communities Against Domestic Abuse
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2011
With Comparative Totals for the Year Ended 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2011</u>	<u>Total 2010</u>
SUPPORT AND REVENUE					
Support					
Grants and contracts	\$ -	\$ 225,678.51	\$ -	\$ 225,678.51	\$ 212,628.22
Contributions	-	14,033.71	-	14,033.71	17,809.03
Special event	-	32,613.91	-	32,613.91	44,410.97
Cookbook sales, net of cost of \$1,727	-	2,795.01	-	2,795.01	1,294.12
In-kind contributions	-	54,561.15	-	54,561.15	71,252.14
Net assets released from restriction	<u>285,314.87</u>	<u>(285,314.87)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support	<u>285,314.87</u>	<u>44,367.42</u>	<u>-</u>	<u>329,682.29</u>	<u>347,394.48</u>
Revenue					
Interest Income	<u>4.75</u>	<u>-</u>	<u>-</u>	<u>4.75</u>	<u>3.63</u>
TOTAL SUPPORT AND REVENUE	<u>285,319.62</u>	<u>44,367.42</u>	<u>-</u>	<u>329,687.04</u>	<u>347,398.11</u>
EXPENSES					
Functional expenses					
Program service	242,579.05	-	-	242,579.05	218,300.12
Administrative	99,627.09	-	-	99,627.09	94,534.07
Fundraising	<u>4,014.66</u>	<u>-</u>	<u>-</u>	<u>4,014.66</u>	<u>6,547.00</u>
TOTAL EXPENSES	<u>346,220.80</u>	<u>-</u>	<u>-</u>	<u>346,220.80</u>	<u>319,381.19</u>
Change in Net Assets	(60,901.18)	44,367.42	-	(16,533.76)	28,016.92
Net Assets at Beginning of Year	<u>64,305.87</u>	<u>-</u>	<u>31,000.00</u>	<u>95,305.87</u>	<u>67,288.95</u>
Net Assets at End of Year	<u>\$ 3,404.69</u>	<u>\$ 44,367.42</u>	<u>\$ 31,000.00</u>	<u>\$ 78,772.11</u>	<u>\$ 95,305.87</u>

See notes to the financial statements

Jeff Davis Communities Against Domestic Abuse
Statement of Functional Expenses
For the Year Ended December 31, 2011
With Comparative Totals for the Year Ended 2010

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>2011</u>	<u>Total 2010</u>
Depreciation	\$ 6,268.50	\$ 2,089.50	\$ -	\$ 8,358.00	\$ 5,238.00
Insurance	5,676.28	1,892.10	-	7,568.38	9,707.75
Interest	1,274.76	424.92	-	1,699.68	590.30
Materials and supplies	-	-	-	-	1,810.39
Occupancy	18,450.46	6,150.16	-	24,600.62	23,695.42
Office	8,446.42	2,815.47	-	11,261.89	7,772.30
Other	2,740.92	913.64	4,014.66	7,669.22	9,118.90
Payroll taxes	9,201.95	4,837.73	-	14,039.68	14,868.44
Professional fees	3,795.00	11,780.00	-	15,575.00	11,769.50
Salaries	120,951.18	63,587.49	-	184,538.67	178,900.89
Telephone	8,548.13	2,849.38	-	11,397.51	11,177.05
Travel	6,860.09	2,286.70	-	9,146.79	7,030.13
Victim support	50,365.36	-	-	50,365.36	37,702.12
	<u>\$242,579.05</u>	<u>\$ 99,627.09</u>	<u>\$ 4,014.66</u>	<u>\$346,220.80</u>	<u>\$319,381.19</u>

See notes to the financial statements

Jeff Davis Communities Against Domestic Abuse
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (16,533.76)	\$ 28,016.92
Adjustments to reconcile change in Net Assets:		
Depreciation	8,358.00	5,238.00
Donated land included in in-kind donations	-	(31,000.00)
Decrease (Increase) in operating assets:		
Accounts Receivable		
Special Event	-	4,930.00
Grants and contracts	(123.76)	(21,701.94)
Inventory	1,727.44	(3,637.92)
Prepaid expense	(3,464.13)	-
Increase (Decrease) in operating liabilities:		
Accounts Payable	3,532.15	450.32
Accrued Liabilities	236.76	(843.74)
Total Adjustments	<u>10,266.46</u>	<u>(46,565.28)</u>
Net Cash Provided (Used) In Operating Activities	<u>(6,267.30)</u>	<u>(18,548.36)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(5,249.91)</u>	<u>-</u>
Net Cash Provided (Used) By Investing Activities	<u>(5,249.91)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Draws on line of credit	33,321.00	57,000.00
Payments on line of credit	<u>(9,919.67)</u>	<u>(52,000.00)</u>
Net Cash Provided (Used) By Financing Activities	<u>23,401.33</u>	<u>5,000.00</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>11,884.12</u>	<u>(13,548.36)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>10,131.51</u>	<u>23,679.87</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 22,015.63</u>	<u>\$ 10,131.51</u>
SUPPLEMENTAL DISCLOSURES		
Interest Paid	<u>\$ 1,699.68</u>	<u>\$ 590.30</u>

See notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Jeff Davis Communities Against Domestic Abuse, Inc. (CADA) is presented to assist in understanding CADA's financial statements.

Nature of Activities

The Organization is a nonprofit, community-based program in Jeff Davis Parish organized to safely empower victims of domestic violence and sexual assault to establish lives that are free from violence and the power and control of others. The Organization provides free safety and supportive services to victims of domestic violence and sexual assault and their dependent children and public education to the community at large with the intent to promote social change in Jeff Davis Parish. The Organization is supported primarily through grants, donor contributions, and an annual fundraiser.

Basis of Accounting

The accompanying financial statements presented herein have been prepared on the accrual basis in accordance with generally accepted accounting principles.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase.

Revenue Recognition

All support is considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(C) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inventory

Inventory, which consists of cookbooks, is stated at lower of cost or market using the first-in, first-out method.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and Equipment

Acquisitions of property and equipment in excess of \$500 with a useful life of one year or more are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is provided for in an amount sufficient to relate the cost of depreciable assets to operations over their estimated service lives on the straight-line basis. Depreciation expense for the year ended December 31, 2011 was \$8,358.

NOTE B GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable represents amounts due from various Federal, State, and Parish agencies and are deemed to be fully collectible by management.

NOTE C NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor/grantor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors/grantors. Total amount released from restrictions during the year was \$285,315.

NOTE D TEMPORARILY RESTRICTED NET ASSETS

Temporary restricted net assets are available for the following purposes or periods as of December 31, 2011:

Capital Improvements	\$21,205
Periods after December 31, 2011	<u>23,162</u>
Total temporary restricted net assets	<u>\$44,367</u>

NOTE E PERMANENTLY RESTRICTED NET ASSETS

On December 28, 2010 the Organization received a donation of vacant land with an estimated value of \$31,000. The donor reserves all mineral rights. The donation is conditioned upon the property being used exclusively for the location of a shelter for victims of domestic abuse and/or violence. Should the Organization, for any reason, cease to exist, or the property herein fail to be used exclusively as a shelter for victims of domestic abuse and/or violence, then, the property shall revert back to the donor, or its successor, free and clear of all encumbrances. The donor-restricted property is reported as permanently restricted net assets.

NOTE F DONATED MATERIALS AND SERVICES

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE F DONATED MATERIALS AND SERVICES - continued

CADA receives donations of food, clothing, and supplies. Management estimates the value of these donations to be \$45,561. These donations are recorded as contributions with the corresponding charge to victim support.

First United Methodist Church provides, at no charge, the use of a facility located at 819 Church Street in Jennings, Louisiana. Management estimates the annual value of this to be \$9,000 which is included in contributions with the corresponding charge to rent expense.

NOTE G FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a program basis in the statement of activities. This requires the allocation of certain costs between program and supporting services based on estimates made by management.

NOTE H CASH

The total cash deposited by CADA with Jeff Davis Bank at December 31, 2011 was \$22,016 and was fully covered by FDIC insurance as provided by the federal government.

NOTE I RISKS AND UNCERTAINTIES

The Organization receives a substantial amount of its support from governmental agencies. A significant reduction in this support, if it were to occur, would affect the Organization's programs and activities.

NOTE J EMPLOYEE BENEFITS

CADA does not provide a retirement plan for its employees; however, they do participate in the social security program. The Organization is exempt from paying quarterly unemployment taxes; however it must reimburse the state for unemployment benefits paid to employees. During the year ended December 31, 2011, \$1,348 of unemployment benefits were paid.

NOTE K COMPENSATED ABSENCES

Full time employees earn one week of vacation (3 weeks for the executive director), 7 sick days, and 3 personal days after one year of service. Upon termination, employees are paid for unused sick leave only. The Organization has not accrued unpaid compensated absences because the amount cannot be reasonably estimated.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE L BANK LINE OF CREDIT

On June 1, 2011, Jeff Davis Bank & Trust Company extended a line of credit to CADA up to \$30,075 to finance operating costs, due June 1, 2012, interest payable at a rate of 7.540%. As of December 31, 2011 the loan balance was \$28,401. During the year ended December 31, 2011 the interest expense for the line of credit was \$885.

NOTE M SIGNIFICANT NONCASH TRANSACTIONS

The Organization's noncash investing and operating activities in 2010 consist of acquiring land of \$31,000 through a donation from the Fred B. and Ruth B. Zigler Foundation.

NOTE N PRIOR PERIOD INFORMATION

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

NOTE O EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 19, 2012, the date which the financial statements were available to be issued.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

To the Board of Directors
Jeff Davis Communities Against Domestic Abuse, Inc.
Jennings, Louisiana

We have audited the financial statements of Jeff Davis Communities Against Domestic Abuse, Inc. (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon, dated June 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Jeff Davis Communities Against Domestic Abuse, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Jeff Davis Communities Against Domestic Abuse, Inc.'s (CADA) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CADA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CADA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Jeff Davis Communities Against Domestic Abuse, Inc. in a separate letter dated June 19, 2012.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



June 19, 2012

Jeff Davis Communities Against Domestic Abuse, Inc.
Jennings, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

Section I – Summary of Auditors' Results
December 31, 2011

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness (es) identified? ☐yes ☒no
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? ☐yes ☒no
- Noncompliance material to financial statements noted? ☐yes ☒no

Section II – Financial Statement Findings

Current Audit

There were no financial statement findings.

Prior Audit

There were no financial statement findings.